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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 05/08/07

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- 2) Editorials
- 3) Prime Minister's daily schedule

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- 5) Association of bereaved families of the war dead enshrined at Yasukuni being shaken by internal calls for separate enshrinement of Class-A war criminals
- 6) WWII prime minister Hideki Tojo's granddaughter may run for a seat in the upcoming Upper House election
- 7) Congressman Mike Honda does not consider Prime Minister Abe's comfort women remarks in Washington as an "apology"

Defense issues:

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- 9) Defense Minister Kyuma determined to reconsider three weapons-export principles but Chief Cabinet Secretary Shiozaki balks
- 10) Elephant Cage antenna field in Okinawa's Yomitan-son being dismantled as part of planned reversion of land
- 11) Lower House expected to pass the two-year extension of the Iraq special measures law on May 15
- 12) Government depicting 2-year extension of ASDF dispatch as "Iraq's request," despite Prime Minister Maliki's assurance troops soon no longer needed

13) Liberal Democratic Party lawmakers sent letters to US Congress seeking to block North Korea from being taken off terrorist list

14) Prime Minister Abe thinks election of Sarkozy as new French president will have good impact on Japan's relations with France

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15) LDP accepts political funds bill revision that would require receipts for office expenses

16) Minshuto (Democratic Party of Japan) head Ozawa finally agrees to oft-postponed debate Abe in Diet session

17) US, Japan to start joint study of EPA

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Social Insurance Agency treats 690,000 persons as having no registered address in collecting pension premiums: Aim was to increase premium payment ratio?

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- (2) Stabilization of Asian currencies: Realize Asian Monetary Fund

at the initiative of Japan

Tokyo Shimbun:

(1) French presidential election: Hopes pinned on administration in creating new Europe

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, May 6 & 7, 2007

NIHON KEIZAI (Page 2) (Full)

May 8, 2007

May 6

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Morning

Spent the morning at his villa in Narusawa Village, Yamanashi Prefecture.

16:04

Left JR Otsuki Station

17:07

Arrived at JR Shinjuku Station.

17:17

Dined with his wife, mother, and others at a Japanese restaurant in the Park Hyatt Tokyo.

29:59

Returned to his official residence.

May 7

09:35

Met at the Kantei with Economic and Fiscal Policy Minister Ota, joined by Cabinet Office Senior Vice Minister Omura, Special Advisor Nemoto, Assistant Deputy Chief Cabinet Secretary Saka, and others.

10:37

Met Social Insurance Agency Director General Murase.

11:32

Met Secretary General Nakagawa.

13:23

Met Association of Corporate Executives Chairman Sakurai, Deputy Chairman Yasufumi Kanemaru, and others. Followed by Lower House member Takuji Yanagimoto.

14:06

Met State Minister in Charge of Declining Birthrate Takaichi. Followed by former Foreign Minister Machimura and former Foreign Minister Komura. Later, met Special Advisor Nemoto.

16:32

Met Acting Secretary General Ishihara. Followed by Health, Labor and Welfare Minister Yanagisawa.

17:02

Attended a party executive meeting in the Diet building.

17:23

Arrived at the Kantei.

19:02

Returned to his official residence.

4) Abe first prime minister to make offering to Yasukuni during shrine's spring festival since Nakasone

ASAHI (Page 1) (Excerpts)
May 8, 2007

Prime Minister Shinzo Abe made an offering to Yasukuni Shrine using his title as "prime minister" on the occasion of the shrine's spring festival from April 21-23. Abe has become the first Japanese prime

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minister to make an offering to the shrine since Yasuhiro Nakasone did so about 20 years ago. Abe has been elusive about visiting Yasukuni Shrine, telling people, "I have no intention of saying whether or not I will visit or have visited the shrine." Abe apparently showed some consideration to the shrine by making an offering instead of visiting.

According to a shrine source, Abe offered a potted masakaki plant 2 meters tall. The pot is now lined with other masakaki plants alongside the wooden steps leading to the inner shrine. The pot carries a wooden label that says "prime minister."

Such persons as the Lower House speaker and the chairmen of the Japan War-Bereaved Association and the Association to Acknowledge the Divine Spirits of the Dead have offered masakaki plants to the shrine annually. But no prime minister has made an offering since Nakasone. When former Prime Minister Junichiro Koizumi visited Yasukuni, he offered flower wreaths.

The shrine sent a letter to Abe asking for his attendance at its spring festival and an offering, and in response Abe paid 50,000 yen for the plant.

Yasukuni Shrine invites guests to its April and October festivals, which carry greater importance than the August 15 end-of-the-war anniversary. The spring festival this year occurred just after Chinese Premier Wen Jiabao's visit to Japan.

The shrine source welcomed Abe's offering, saying: "I think Mr. Abe, who has been abstaining from visiting the shrine since becoming prime minister, showed his feelings. We appreciate it."

5) Japan War-Bereaved Association shaken up by argument for separate enshrinement

NIHON KEIZAI (Page 2) (Excerpts)
May 8, 2007

The Japan War-Bereaved Association will today hold its first study session to discuss the way Yasukuni Shrine should serve. Makoto Koga of the ruling Liberal Democratic Party (LDP), who heads the association at present, seeks debates on such questions as whether to separately enshrine Class-A war criminals now enshrined at Yasukuni Shrine, but some senior association members are cautious about debating the so-called Yasukuni issue, a controversial question, out of concern that such a debate may cause a rift within the association. The argument for separate enshrinement is shaking up the association ahead of the July Upper House election.

Last November, the association decided to establish a study meeting. But no such meeting has been held until recently partly because it has given priority to preventing the organization from splitting up.

The establishment of the study meeting was proposed by Koga, who has favored separate enshrinement.

Prior to the LDP presidential election in last September, Koga came up with a policy proposal that included a suggestion on separate enshrinement and highlighted a clear difference from Koizumi diplomacy, which had deteriorated relations with China and South Korea as a result of Koizumi's repeated visits to Yasukuni Shrine.

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However, Prime Minister Shinzo Abe, who calls himself a successor of Koizumi, has avoided making clear whether he will visit the shrine. Perhaps for this reason or some other reasons, relations with China and South Korea have been improving at present. The argument for separate enshrinement is no longer an urgent political agenda.

Yet, Koga cannot drop his pet argument. When the National Diet Library recently released a document showing that the former Health and Welfare Ministry has been involved in the enshrinement of (Class-A war criminals at Yasukuni Shrine), Koga emphasized: "The question of separate enshrinement should be thoroughly discussed." He also indicated to the Koga faction led by himself that a study session would be set up.

Young association members tolerant of separate enshrinement

Even in the war-bereaved association, young members are reportedly tolerant of separate enshrinement. Meanwhile, some are criticizing Koga's move, arguing, "He seems to be using the association for political reasons."

Yasukuni Shrine has consistently maintained that "separate enshrinement is impossible," and the association has insisted that the question of separate enshrinement should be handled by the shrine." One senior association member murmured: "A penetrating debate on (separate enshrinement) could divide the association."

Future schedules for the study session, which will be held at a time when a board meeting takes place, remain unclear. The first study session set for today is expected to have a discussion based on documentation related to the history of the shrine prepared by the association's secretariat. "It's difficult to reach a conclusion in one or two years of discussions," one senior member commented.

The study session will discuss a broad range of questions, including separate enshrinement in order to prevent Koga from losing his face, but it will try to avoid jolting the war-bereaved association excessively. The association, which is said to be losing organizing power owing to a decrease in the membership and aging, is put in a difficult situation.

6) Granddaughter of former Prime Minister Tojo to run in the summer's Upper House election

SANKEI (Page 5) (Full)
May 8, 2007

Yuko Tojo, a granddaughter of former Prime Minister Hideki Tojo, announced yesterday her candidacy for this summer's House of Councillors election. The 67-year-old Tojo heads a non-profit organization. She intends to play up her opposition toward the idea that the souls of Class-A war criminals, including her grandfather, now enshrined at Yasukuni Shrine should be separated from it. She will make a decision this week on whether she will run in the race as an independent in the Tokyo constituency or if she will establish a party to run as a candidate for the proportional representation segment in the election.

Tojo told reporters yesterday: "Some in the Liberal Democratic Party (LDP) have called for removing Class-A war criminals from Yasukuni Shrine. I wonder if it is good to completely deny the past."

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Referring also to the discovery of former Imperial Household Agency grand steward's diary, which wrote that the Emperor Showa expressed unhappiness with the enshrinement of Class-A war criminals in Yasukuni, she stated: "I feel something that is intentional and political. The Emperor Showa is being used for the purpose of removing them from Yasukuni."

7) Rep. Honda: Prime Minister Abe's recent "apologies" can't be taken as apologies for former comfort women

ASAHI (Page 4) (Full)

May 8, 2007

Rep. Mike Honda (D-CA), who has introduced in the House of Representatives a resolution calling on the Japanese government to admit its historical responsibility and for the prime minister to offer a formal apology for former wartime comfort women, met with Japanese lawmaker Masaharu Nakagawa, a House of Representatives member from the opposition Democratic Party of Japan (Minshuto or DPJ), when Nakagawa was visiting the United States. Honda indicated to Nakagawa that he would continue his efforts to get the resolution adopted. Referring to Prime Minister Abe's recent apologies made in his talks with President Bush, Honda said: "I don't think the issue has been fully finalized. I can't take them as an official apology in the true sense of the term." This was revealed by Nakagawa during a press conference yesterday.

Nakagawa held a one-hour meeting with Honda. According to Nakagawa, in the session, Honda explained that the US Congress legally admitted its responsibility for violations of Japanese immigrants' human rights at camps in wartime and compensated for them, adding: "Japan's approach is that every time the prime minister is replaced, a new prime minister will say whatever he likes. I wonder what is with laws and Diet resolutions and how the Diet has been involved in the issue."

8) Government to set up new organization to prevent leaks of classified data

MAINICHI (Page 2) (Full)
May 8, 2007

The government decided yesterday to set up a new organization called the "counterintelligence center" (tentative name) next April to tighten measures to prevent the leaks of classified intelligence. The CI center will be tasked with examining, based on a uniform standard to be set by the government, whether each government agency has properly introduced measures to protect classified information. Following the United States government signing an agreement with Japan to expand military intelligence to be shared between the two countries, it has urged Japan to strengthen its information management system.

Prime Minister Shinzo Abe reiterated in his policy speech in January the importance of strengthening the Cabinet Office's intelligence-related functions. Reflecting his desire, the government's Counterintelligence Promotion Conference, chaired by Deputy Chief Cabinet Secretary Junzo Matoba, will include the plan to establish the CI center in its interim report due out in August.

If the center finds a leak of classified data, the government intends to apply existing rules in the National Civil Service Law or

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the Self-Defense Force Law for the time being.

The governments of Japan and the US concluded a General Security of Military Information Agreement (GSOMIA) at the Japan-US Security Consultative Committee meeting (2+2) on May 1. Based on the accord, the two countries will share more secret intelligence.

9) Defense minister wants to consider easing Three Principles on Arms Exports: Chief cabinet secretary remains cautious

SANKEI (Page 5) (Full)
May 8, 2007

Defense Minister Fumio Kyuma during a meeting of the Lower House Special Committee on Prevention of Terrorism and Assistance to Iraq held yesterday once again expressed his intention to look into the possibility of easing the Three Principles on Arms Exports. He said: "The cost of R&D for equipment is considerably high. Is it all right for Japan to do it on its own? Joint research with a foreign country would reduce purchasing costs." To be precise, he exemplified the making of protective clothing against bio-chemical weapons as the subject of joint research.

The government has limited joint research and development with the exception of part of such activities, including Japan-US joint development and production of the missile defense system, since exchanges of parts as a result of joint research infringe on the Three Principles. However, Kyuma stated in the speech given during his recent visit to the US, "It is the time to consider whether the present situation is all right or not.

In response, Chief Cabinet Secretary Yasuhisa Shiozaki told a press conference yesterday morning, "The government will continue to be cautious in dealing with the control of arms exports in view of the basic ideals of a pacifist nation Japan, including the Three Principles on Arms Exports." He thus underscored that there would be no change in the government's stance of firmly maintaining the three principles.

10) "Elephant cage" being demolished

MAINICHI (Page 1) (Full)
May 8, 2007

The Sobe communications site in Yomitan Village, Okinawa Prefecture (commonly called the elephant cage; 530,000 square meters) is being demolished. Along with Futenma Air Station, the site has been a symbol of the base issue in the prefecture since the 1995 schoolgirl rape incident. Heavy machinery that entered the site in April has been digging up the underground net-line antennas.

The Naha Defense Facilities Administration Bureau plans to remove all components, including the 28-meter-tall cage-shape antennas, from the site in June.

The US military started using the site during the 1945 Battle of Okinawa. The military communications facility equipped with the antennas lined up 200 meters in diameter was completed in 1953. An agreement was reached in 1996 to return it to Japan in four years. Due to a delay in its relocation to a new site in the prefecture, the land was totally returned to Japan at the end of last December.

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11) Ruling camp expects bill extending Iraq Special Measures Law for two years to pass Lower House on May 15

MAINICHI (Page 5) (Excerpts)
May 8, 2007

In the current Diet session, the final stage started yesterday. The ruling camp has decided to have a bill to extend the Iraq Reconstruction Special Measures Law for another two years adopted at a House of Representatives Special Committee meeting on May 11 and clear the Lower House on the 15th. But Minshuto (Democratic Party of Japan) has presented a bill to scrap the said law. Both camps are ready to engage in an all-out confrontation.

In a Liberal Democratic Party executive meeting yesterday, Prime Minister Shinzo Abe instructed the participants to make utmost efforts to have key bills enacted in the final stage of the current Diet session. Abe said: "The Diet session has come to the final phase, and the House of Councillors election is drawing closer. I want the government and the ruling parties to work together as one team. I expect you to make efforts to display the fundamental strengths of the LDP."

In particular, it is an imminent task for the government to pass the bill on the Iraq Reconstruction Special Measures Law, which is due to expire at the end of July. The prime minister agreed with United States President Bush in their recent meeting on the view that "the Japan-US alliance is irreplaceable." Given this, Abe gives top priority to enacting the bill in the current Diet session. Senior ruling party members, including LDP Diet Affairs Committee Chairman Toshihiro Nikai and New Komeito Diet Affairs Committee Chairman Yoshio Urushibara, also affirmed the need to have the bill adopted in the Special Committee meeting on the 11th and that a vote be taken in a plenary session on the 15th.

12) Government: Extending SDF mission in Iraq for two years came from Iraq

ASAHI (Page 4) (Abridged slightly)
May 8, 2007

Did Iraq ask Japan to extend the Self-Defense Force's mission in the country for two years? The government and the opposition bloc locked horns in a Lower House Iraq reconstruction special committee session yesterday over the rationale for extending the SDF mission.

Iraqi Prime Minister Maliki had indicated to some Japanese media outlets that the presence of Japanese troops in his country would become unnecessary later this year. Based on this statement by Maliki, Kazunori Yamanoi of Minshuto (Democratic Party of Japan) asked: "Prime Minister Maliki said that the presence of the SDF would become unnecessary this year. Why must the SDF mission be extended for two more years?" In response, Chief Cabinet Secretary Shiozaki explained: "It will take time for the Iraqi government to be able to run the country stably." Foreign Minister Aso also said: "We have confirmed with the Iraqi government that its request for the continued SDF mission is unchanged."

Seiken Akamine of the Japanese Communist Party also posed a similar question. In response, Aso indicated that a request had come from UN Secretary General Ban Ki Moon as well, in addition to Prime Minister

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Maliki.

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13) LDP group to send letters to US Senate and House urging them not to remove North Korea from US list of state sponsors of terrorism

SANKEI (Page 3) (Abridged slightly)
May 8, 2007

A Liberal Democratic Party group to consider North Korea policy decided yesterday to send letters to all US congressional members urging them not to remove North Korea from the US list of state sponsors of terrorism unless the abduction issue is settled. The purpose is to give a boost to the pressure policy line that was agreed upon between Prime Minister Shinzo Abe and President George W. Bush in their talks on April 27. The group intends to encourage opposition lawmakers to sign the letters to express their support for the move.

The group includes such members as Internal Affairs and Communications Minister Yoshihide Suga, Senior Vice Justice Minister Kenichi Mizuno, and Upper House member Ichita Yamamoto. The group took the initiative in legislating the Law Banning Specific Ships from Entering Japanese Ports that allowed the government to ban North Korean ships from entering Japan. The group will send letters to the US Senate and House later this month urging them to keep North Korea on the US terrorist-sponsor list.

In his talks with Abe on April 27, President Bush indicated that he would keep the abduction issue in mind regarding a removal of North Korea from the terrorist-sponsor list. He also said after the summit: "I have strong feelings about the abduction issue and they will not wane."

But the six-party joint statement specifies that the United States would start work toward delisting North Korea from its terrorism-sponsor list, and US-DPRK talks have already started. President Bush finds it difficult to run the Congress due to the Republicans' defeat in the midterm elections last November. Given the situation, speculation is still rife in the LDP, including junior members, that President Bush would lean toward "appeasement policy" depending on moves in the Congress. Behind the letter-sending plan lies the motive to increase Japan sympathizers in the US Congress.

Some LDP members had planned a trip to the United States to lobby against a US House of Representatives resolution condemning Japan

over the so-called comfort women issue. But they gave up the plan for fear of adverse effects. Their attempt also exposed weak ties between Japanese and US lawmakers.

Learning bitter lessons from this case, LDP members are also trying to cultivate strong ties between the two political communities by sending letters to be prepared against an unexpected event. Yamamoto took this view: "Unless strong communication channels are established between the Japanese and American lawmakers who are moved by the abduction issue, parliamentary diplomacy in time of an emergency is not possible."

14) Prime minister welcomes election of pro-US Sarkozy as president in France, anticipating favorable effect on Japan-US alliance

TOKYO SHIMBUN (Page 2) (Full)
May 8, 2007

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Prime Minister Abe welcomes the victory of Nicolas Sarkozy, a pro-US conservative, in the French presidential election, defeating Socialist Segolene Royal. Given that relations between the United States and France have been sour since incumbent President Jacques Chirac reacted negatively to the Bush administration's decision on the Iraq war, the prime minister anticipates that an improvement in the US-France relations and an increase in International confidence in the US would enhance the importance of the Japan-US alliance.

When he met visiting Prime Minister Abe this January, President Chirac made a remark critical of President Bush, perplexing Abe and accompanying Japanese officials.

During that visit, Abe met with Sarkozy and Royal, who were preparing for the presidential election, for 30 minutes separately.

In the meeting with Abe, Sarkozy expressed his eagerness to improve the strained relations with the US, saying: "I am aware of the importance of close relations with the US in dealing with international challenges." Abe praised Sarkozy's diplomatic stance, saying: "European countries, including your country, which shares basic values with Japan, are an important strategic partner to us."

Even so, as Foreign Vice Minister Shotaro Yachi said, "President Chirac knows a lot more about Japanese culture than many Japanese," but in contrast, Sarkozy has been remotely related with Japan.

Abe and Sarkozy will hold their first summit on the sidelines of the Heiligendamm Summit in early June. Although both sides are expected to agree on a pro-US policy line, it remains to be seen if they can establish a personal relationship of trust.

15) Revision of Political Funds Control Law: LDP agrees to require attaching receipts to political funds reports; Revision bill to be submitted to current Diet session

ASAHI (Page 1) (Excerpts)
May 8, 2007

The ruling Liberal Democratic Party (LDP) decided yesterday to submit to the ongoing Diet session a bill revising the Political Funds Control Law to require political fund management organizations to attach to politicians' funds reports receipts for expenditures of 50,000 yen or more for their operating expenses. Many LDP lawmakers had opposed the attachment of receipts. At the behest of Prime Minister Shinzo Abe, who is positive about a law revision, however, Nobuteru Ishihara, who heads the party's Reform Implementation Headquarters, reported the party's decision to Abe yesterday. Abe then gave his concurrence.

With the House of Councillors election coming up in July, the LDP gave consideration to the New Komeito, which has called for the clarification of political funds. There was a strong objection in the LDP, but the dominant view in the party is that in line with the prime minister's will, the bill should be passed through the Diet during the current session. However, since the law would require

only political fund management organizations to attach receipts, politicians' expenditures through other political organizations will probably become loopholes. The main opposition party Minshuto (Democratic Party of Japan) sees this as a problem.

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16) Minshuto President Ozawa finally agrees to hold debate with Prime Minister Abe

SANKEI (Page 5) (Full)
May 8, 2007

Minshuto (Democratic Party of Japan) President Ichiro Ozawa held a meeting with Acting President Naoto Kan and Secretary General Yukio Hatoyama. In the meeting, he confirmed that he would hold a one-on-one debate at the Diet with Prime Minister Shinzo Abe.

Up until now, no debate has occurred between the two during the current session of the Diet since Ozawa has placed priority on his stumping tour of local areas with this summer's House of Councillors election in mind. Because of this, the ruling Liberal Democratic Party (LDP) Diet Affairs Committee Chief Deputy Chairman Goji Sakamoto criticized Ozawa for "thinking lightly of the Diet." Kozo Watanabe, a supreme advisor to Minshuto, also expressed unhappiness with Ozawa, saying, "It is a problem that he doesn't want to hold a debate."

Ozawa appears to have decided to hold a debate based on his judgment that since he was an advocator of the party-heads debate in the Diet, it would not good for him to be criticized when thinking his party's campaigning for the summer's Upper House election.

LDP's Sakamoto welcomed Ozawa's decision, saying, "I think he has no choice but to respond to a debate. Otherwise, Minshuto won't be able to fight in the Upper House election."

Minshuto intends to hold a debate on May 16. However since there is a basic rule that no debate occurs during a week when the prime minister attends a plenary session or committee meeting. Therefore, whether a debate between Abe and Ozawa will be held on the 16 is uncertain.

17) Private-sector members of CEFP to propose joint studies on Japan-US EPA as well as agricultural reform

ASAHI (Page 11) (Excerpts)
May 8, 2007

The specifics of proposals for internationalization, which private-sector members of the Council on Economic and Fiscal Policy (CEFP) plan to offer at a council meeting tomorrow, have been released. As a feature a set of proposals will call on the government to expedite talks on economic partnership agreements with countries and areas, including the US and the EU. Gross domestic products (GDP) combining that of Japan and the US, the world's second and first largest economies, account for approximately 40% of that of the entire world. If Japan and the US start EPA talks, the move is bound to have a major impact on the multilateral trade talks (Doha Round) at the World Trade Organization (WTO).

A draft report compiled by an experts research council, which forms the base of the planned proposals, highly evaluates Japan-US EPA talks, noting that such a pact, if concluded, will activate trade and investment between the two countries as well as to further strengthen bilateral close ties. It characterized the signing of a Japan-US EPA as a key agenda in the future, pointing out the possibility of Japanese companies finding themselves in a disadvantageous position on the US market, compared with South Korea

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companies, due to the recent agreement between the US and South Korea to sign an EPA. The draft calls on Japanese and US industries, government, and scholars to exchange information on the EPAs and

FTAs they have so far signed with other countries on a full scale. The trade amount between Japan and the US accounts for approximately 20% of that of the entire world. Many in government circles and the ruling camp are against the idea of the two countries signing an EPA arguing that such an accord will not be compatible with WTO talks, where liberalization of multilateral trade is being looked into.

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